

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.



BINGO GROUP HOLDINGS LIMITED

比高集團控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 8220)

(1) CONNECTED TRANSACTION: OPTION AGREEMENT WITH MR. CHIAU AND (2) GRANT OF SHARE OPTIONS

In light of the lapse of the Service Options, on 4 October 2013 (after trading hours), the Company and Mr. Chiau entered into the Option Agreement pursuant to which, the Company has conditionally agreed to grant Mr. Chiau the Options to subscribe for an aggregate of 125,000,000 Option Shares at the exercise price of HK\$0.1814 per Option Share.

Since Mr. Chiau is an executive Director and together with his associates is also a substantial Shareholder, the Option Agreement and the transactions contemplated thereunder constitute a connected transaction on the part of the Company under Chapter 20 of the GEM Listing Rules and is subject to reporting, announcement and Independent Shareholders' approval requirements under the GEM Listing Rules. A circular containing, among other things, further details of the Option Agreement, recommendation of the Independent Board Committee and advices of the independent financial adviser and the notice of EGM is expected to be despatched to the Shareholders on or before 31 October 2013.

The Company is also pleased to announce that the Board had resolved to grant Share Options to Mr. Chong (subject to his acceptance and the payment of HK\$1.00 by him upon acceptance of the Share Options) to subscribe for 2,000,000 Shares under the Share Option Scheme.

(1) CONNECTED TRANSACTION: OPTION AGREEMENT WITH MR. CHIAU

Background

Reference is made to the circular of the Company dated 3 May 2010 in relation to, among others, the entering into of the Service Agreement between the Company and Mr. Chiau. Pursuant to the terms of the Service Agreement, the Company has granted the Service Options entitling Mr. Chiau to subscribe for 250,000,000 shares of HK\$0.02 each prior to the Share Consolidation (equivalent to 125,000,000 Shares).

The Service Options have expired and lapsed on 30 September 2013. In light of the lapse of the Service Options and after arm's length negotiations, on 4 October 2013 (after the trading hours), the Company and Mr. Chiau entered into the Option Agreement pursuant to which, the Company has conditionally agreed to grant Mr. Chiau the Options to subscribe for an aggregate of 125,000,000 Option Shares at the exercise price of HK\$0.1814 per Option Share.

OPTION AGREEMENT

The principal terms of the Option Agreement and the Options are as follows:

Date: 4 October 2013

R14.58 (3)

Parties: (1) The Company
(2) Mr. Chiau

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, Mr. Chiau is an executive Director of the Company and together with his associates is also a substantial Shareholder of the Company.

Total number of Shares to be allotted and issued upon exercise of the Options in full: 125,000,000 Option Shares (subject to adjustments).

Issue price of the Options: HK\$1.00 in cash payable by Mr. Chiau on the date of the Option Agreement.

Conditions precedent: Completion of the Option Agreement is conditional upon:
(a) all necessary consents, approvals and permits having obtained by the Company;

- (b) the compliance by the Company with the announcement and Independent Shareholders' approval requirements under the GEM Listing Rules (including but not limited to Chapter 20 of the GEM Listing Rules) and other applicable procedures and regulations under the GEM Listing Rules in relation to the Option Agreement and the transactions contemplated thereunder;
- (c) the obtaining by the Company of the approval of the listing of and permission to deal in the Option Shares from the Stock Exchange; and
- (d) the Independent Board Committee of the Company being reasonably satisfied with the improvements to internal control of the Group and the implementation of such recommendations of the Independent Board Committee regarding internal control;

In the event that any of the above conditions are not fulfilled before 31 March 2014 (or such other date the parties to the Option Agreement may agree in writing), the Option Agreement shall lapse and terminate and no party to the Option Agreement shall have any claim against or liability to another party save for any antecedent breaches thereof.

Exercise period:	The Option to subscribe for 125,000,000 Option Shares is exercisable during the period commencing from the Grant Date to the day immediately prior to the third anniversary of the Grant Date.
Exercise Price per Option Share:	HK\$0.1814
Transferability of the Options:	The Option is personal to Mr. Chiau himself and is not transferrable. The Option Shares to be issued and allotted upon the exercise of the Options shall be freely transferrable.
Adjustment:	The Exercise Price and the number of Option Shares are subject to adjustment upon the occurrence of subdivision or consolidation of Shares.

The Exercise Price of HK\$0.1814 per Option Share represents:

- (a) a premium of approximately 0.22% over the closing price of HK\$0.181 per Share as quoted on the Stock Exchange on the date of this announcement; and

- (b) the average of the closing prices of approximately HK\$0.1814 per Share as quoted on the Stock Exchange over the last 5 consecutive trading days immediately proceeding the date of the Option Agreement.

The Option Shares, when issued upon the Options being exercised in full, represent approximately 4.08% existing issued share capital of the Company and approximately 3.92% of the total issued share capital of the Company as enlarged by the Option Shares.

The Option Shares, when allotted and issued, will rank pari passu in all respect among themselves and with the Shares in issue on the date of allotment and issue of the Option Shares.

The Option Shares to be granted under the Option Agreement together with all outstanding shares options granted by the Company to other share option holders under the Share Option Scheme and yet to be exercised will not exceed 30% of the Shares in issue as at the date of this announcement.

An application will be made to the Stock Exchange for the listing of and permission to deal in the Option Shares. The Option Shares will be allotted and issued under a specific mandate to be obtained from the Independent Shareholders at EGM.

REASONS FOR THE GRANT OF OPTIONS AND THE USE OF PROCEEDS

R14.58(8)

On 22 February 2010, Mr. Chiau and the Company entered into the conditional Service Agreement in relation to the appointment of Mr. Chiau as an executive Director. Pursuant to which the Company has granted Mr. Chiau the Service Options. Please refer to the circular of the Company dated 3 May 2010 for further details of the Service Agreement and the Service Options.

R14.58(2)

Since the appointment of Mr. Chiau as an executive Director, it is noted that the performance of the Group has improved and the Group has recorded a net profit of not less than HK\$12 million for the year ended 31 March 2013.

In light of the lapse of the Service Options, after arm's length negotiations, the Company resolves to grant the Options to Mr. Chiau in accordance with the terms of the Option Agreement. The proposed grant of Options under the Option Agreement to Mr. Chiau is in recognition of his contribution to the growth of the Group in the past and also as an incentive for his continuing commitment and contribution to the Group in the future. The consideration payable by Mr. Chiau under the Option Agreement is HK\$1.00, which has been paid by Mr. Chiau, in accordance with the terms of the Option Agreement. The remuneration committee of the Company has considered the grant of the Options to Mr. Chiau in accordance with the terms of reference of the remuneration committee subject to, among other things, the advice of the independent financial adviser and Independent Shareholders' approval requirements.

Based on the above, and having considered that the exercise price of the Options is equivalent and comparable to the market price of the Shares, the Directors (excluding the independent non-executive Directors whose views will be given in the circular to be

despatched to the Shareholders after taking into account the advice of its independent financial adviser) consider that the terms of the Option Agreement are fair and reasonable and in the interests of the Company and Shareholders as a whole.

The gross proceeds from the exercise of the Options in full are estimated to be HK\$22,675,000. The net proceeds from the exercise of the Options in full and the net Exercise Price are estimated to be approximately HK\$22,455,000 and approximately HK\$0.180 per Option Share respectively. The Directors intend to utilize the net proceeds as general working capital of the Group.

FUND RAISING EXERCISES DURING THE PAST TWELVE MONTHS

The Company has not conducted any fund raising activities in the past twelve months immediately preceding the date of this announcement in which equity securities of the Company are issued.

IMPLICATION UNDER THE GEM LISTING RULES

Since Mr. Chiau is an executive Director and together with his associates is also a substantial Shareholder, the Option Agreement and the transactions contemplated thereunder constitute a connected transaction on the part of the Company under Chapter 20 of the GEM Listing Rules and is subject to reporting, announcement and Independent Shareholders' approval requirements under the GEM Listing Rules. A circular containing, among other things, further details of the Option Agreement, recommendation of the Independent Board Committee and advices of the independent financial adviser and the notice of EGM is expected to be despatched to the Shareholders on or before 31 October 2013.

(2) GRANT OF SHARE OPTIONS

The Company is pleased to announce that the Board had resolved to grant Share Options to Mr. Chong (subject to his acceptance and the payment of HK\$1.00 by him upon acceptance of the Share Options) to subscribe for 2,000,000 Shares under the Share Option Scheme. Details of the Share Options granted are as follows:

Date of grant:	4 October 2013 (the "Date of Grant")
Exercise price of Share Options granted:	HK\$0.1814 per Share (being the highest of (i) the closing price of HK\$0.181 per Share as quoted in the Stock Exchange's daily quotation sheet on the Date of Grant; (ii) the average closing price of HK\$0.1814 per Share as quoted in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the Date of Grant; and (iii) the nominal value of HK\$0.04 per Share)
Number of Share Options granted:	2,000,000 Share Options (each Share Option shall entitle the holder of the Share Options to subscribe for one Share)
Validity period of Share Options:	5 years from the Date of Grant

Pursuant to Rule 23.04(1) of the GEM Listing Rules and the terms of the Share Options Scheme, the grant of 2,000,000 Share Options to Mr. Chong, an executive Director, had been approved by the remuneration committee of the Company, comprising all the independent non-executive Directors of the Company.

The Board believes the granting of the Share Options is an effective means to provide incentives and rewards to Mr. Chong for the long-term interests of the Company and to align his interests with those of the Shareholders.

INFORMATION OF THE GROUP

The Group is principally engaged in movie production, licensing and derivatives, crossover marketing, provision of interactive contents and cinema investment and management.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“associate(s)”	has the meaning ascribed to this term under the GEM Listing Rules
“Board”	the board of Directors
“Company”	Bingo Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issue Shares of which are listed on GEM
“connected person(s)”	has the meaning ascribed to this term under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting to be held and convened to approve the Option Agreement and the transactions contemplated thereunder, including but not limited to the issue and allotment of the Option Shares upon exercise of the Options
“Exercise Price”	initially HK\$0.1814 per Option Share, payable upon the exercise of Option
“GEM”	the Growth Enterprise Market
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Grant Date”	the date falling within three business days upon the fulfillment of the conditions precedent to the Option Agreement (or such other date the parties to the Option Agreement may agree in writing)

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company, comprising all the independent non-executive Directors of the Company
“Independent Shareholders”	Shareholders other than Mr. Chiau and his associates
“Mr. Chiau”	Mr. Chiau Sing Chi, an executive Director and together with his associates is also a substantial Shareholder, thus is a connected person of the Company
“Mr. Chong”	Mr. Chong Lee Chang, an executive Director
“Options”	the 125,000,000 options to be granted to Mr. Chiau in accordance with the terms of the Option Agreement
“Option Agreement”	the conditional option agreement dated 4 October 2013 and entered into between the Company and Mr. Chiau in relation to the grant of Options
“Option Shares”	up to 125,000,000 new Shares (subject to adjustments) to be issued and allotted upon the exercise of the Options
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Service Agreement”	the service agreement dated 22 February 2010 between the Company and Mr. Chiau, details of which have been disclosed in the circular of the Company dated 3 May 2010
“Service Options”	the options granted to Mr. Chiau under the Service Agreement
“Share(s)”	ordinary share(s) of HK\$0.04 each in the share capital of the Company
“Share Consolidation”	the share consolidation on the basis of every two ordinary shares of HK\$0.02 each in the issued and unissued share capital of the Company consolidated into one Share of HK\$0.04 each with effect from 18 September 2012
“Share Options”	the share options granted by the Company under the Share Option Scheme
“Share Option Scheme”	the share option scheme of the Company approved and adopted by the Company on 15 August 2012

“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial Shareholder(s)”	has the meaning ascribed to this term under the GEM Listing Rules
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
Bingo Group Holdings Limited
Chong Lee Chang
Executive Director

Hong Kong, 4 October 2013

As at the date of this announcement, the Company’s executive Directors are Mr. Chiau Sing Chi, Mr. Chan Cheong Yee and Mr. Chong Lee Chang, the Company’s non-executive Director is Mrs. Chin Chow Chung Hang, Roberta, and the Company’s independent non-executive Directors are Mrs. Chen Chou Mei Mei, Vivien, Mr. Chum Kwan Yue, Desmond and Mr. Wong Chak Keung.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on GEM website on the “Latest Company Announcements” page for at least 7 days from the date of its posting and the Company website at www.bingogroup.com.hk.